

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3350
ANSWERED ON:30.08.2013
IT REBATE TO NRIS
Rana Shri Jagdish Singh

Will the Minister of FINANCE be pleased to state:

- (a) the details of rebate on income tax extended to the Non-Resident Indians (NRIs) on income earned by investments made in India by them;
- (b) the percentage of corporate tax levied at present by the Government on income earned by corporate sector;
- (c) whether the Government proposes to provide further concessions/rebates in this regard; and
- (d) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI J.D. SEELAM)

(a) Madam, under the Income-tax Act, 1961, (the Act), certain income of Non-Resident Indians is subjected to tax at a concessional rate of taxation. This includes interest earned from Non-resident (External) Account in accordance with Foreign Exchange Management Act, 1999, which is exempt from tax. Further, under Section 115E of the Act, reduced tax rates are levied on the Income of Non Resident Indians (NRIs) from Investment and Long term capital gains. Similarly, under Section 115F of the Act, long term capital gains invested by NRIs in specified assets are exempted from tax, subject to conditions provided in that section. As per section 115G of the Act, NRIs are also not required to file return of income if the total income consist only of investment income or income by way of long-term capital gains or both, and the tax deductible at source under the provisions of the Chapter XVII-B of the Act has been deducted from such income.

(b) The percentage of corporate tax at present, excluding cess and surcharge, levied on the income earned by corporate sector, is 30% (for domestic companies) and 40% (foreign companies).

(c) No Madam.

(d) Does not arise.